Economics of Education Review

Edited by
Elchanan Cohn
University of South Carolina, Columbia, USA

Volume 10 Contents
and
Author Index

Pergamon Press
OXFORD NEW YORK SEOUL TOKYO

Economics of Education Review

Editor-in-Chief

Elchanan Cohn: Department of Economics, University of South Carolina, Columbia, SC 29208, U.S.A.

Associate Editors

Stephen A. Hoenack: University of Minnesota, 40 Wulling Hall, 86 Pleasant Street NE, Minneapolis, MN 55455, U.S.A.

John Riew: Department of Economics, Kern Building, The Pennsylvania State University, University Park, PA 16802, U.S.A.

Lewis C. Solmon: The Milken Institute for Job & Capital Formation, 15250 Ventura Boulevard, Second Floor, Sherman Oaks, CA 91403, U.S.A.

Managing Editor

W. Pierce Liles: Division of Graduate Studies, College of Business Administration, University of South Carolina, Columbia, SC 29208, U.S.A.

Book Review Editor

C. Glyn Williams: Department of Economics, University of South Carolina, Columbia, SC 29208, U.S.A.

Editorial Board

W. E. Becker
Indiana University (U.S.A.)

C. S. Benson
University of California, Berkeley (U.S.A.)

J. H. Bishop
Cornell University (U.S.A.)

M. Blaug
Langsford Barn, Devon (U.K.)

M. J. Bowman
University of Chicago (U.S.A.)

J. C. Eicher
Institut de Recherche sur l'Economie de l'Education, Dijon (France)

W. L. Hansen
University of Wisconsin (U.S.A.)

E. A. Hanushek
University of Rochester (U.S.A.)

G. A. Hickrod
Illinois State University (U.S.A.)

E. James
State University of New York, Stony Brook (U.S.A.)

B. F. Kiker
University of South Carolina (U.S.A.

H. M. Levin
Stanford University (U.S.A.)

D. H. Monk
Cornell University (U.S.A.)

W. W. McMahon
University of Illinois (U.S.A.)

J. Mincer
Columbia University (U.S.A.)

P. R. Moock
World Bank (U.S.A.)

R. J. Murnane
Harvard University (U.S.A.)

G. Psacharopoulos
World Bank (U.S.A.)

J. M. M. Ritzen
Erasmus University (The Netherlands)

R. A. Rossmiller
University of Wisconsin (U.S.A.)

R. Rumberger
University of California, Santa Barbara (U.S.A.)

D. Stern
University of California, Berkeley (U.S.A.)

E. W. Stromsdorfer
Washington State University (U.S.A.)

T. Tachibanaki
Kyoto University (Japan)

N. J. Thomson
University of Adelaide (Australia)

D. Timmermann
University of Bielefeld (F.R.G.)

H. P. Tuckman
Memphis State University (U.S.A.)

Y. Weiss
Tel Aviv University (Israel)

F. Welch
University of California, Los Angeles (U.S.A.)

G. L. Williams
University of London (U.K.)

A. Ziderman
Bar Ilan University (Israel)

Publishing and Avertising Offices: Headington Hill Hall, Oxford OX3 0BW (Oxford 794141), U.K.

Annual institutional subscription rate (1992) (including postage and insurance) £110.00 (US$200.00). Two-year institutional rate (1992/93) £209.00 (US$380.00). Sterling prices are definitive. US dollar prices are quoted for convenience only, and are subject to exchange rate fluctuation. Personal subscription rate for those whose library subscribes at the regular rate is available on request. Prices include postage and insurance and are subject to change without notice. Subscription rates for Japan include despatch by air and prices are available on application.
Four issues, published quarterly in March, June, September and December. Subscription enquiries from the customers in North America should be sent to: Pergamon Press Inc., 395 Saw Mill, River Road, Elmsford, NY 10523, U.S.A., and for the remainder of the world to Pergamon Press plc, Headington Hill Hall, Oxford OX3 0BW, U.K.

Copyright © 1992 Pergamon Press plc

Whilst every effort is made by the publishers and editorial board to see that no inaccurate or misleading data, opinion or statement appears in this journal, they wish to make it clear that the data and opinions appearing in the articles and advertisements herein are the sole responsibility of the contributor or advertiser concerned. Accordingly, the publishers, the editorial board and editors and their respective employees, officers and agents accept no responsibility or liability whatsoever for the consequences of any such inaccurate or misleading data, opinion or statement.

Number 1 Contents

Mary Jean Bowman	1	The formation of human resources for farming and household work as vocations: lessons for less developed countries
Kwabena Gyimah-Brempong and Anthony O. Gyapong	7	Characteristics of education production functions: an application of canonical regression analysis
Michael M. Barrow	19	Measuring local education authority performance: a frontier approach
George Psacharopoulos and Asad Alam	29	Earnings and education in Venezuela: an update from the 1987 Household Survey
William L. Weber	37	Fiscal neutrality and local choice in public education
Jerry Paquette	45	Funding a new social contract in Ontario education
Loek F. M. Groot and Andries de Grip	57	Technological change and skill formation in the bank sector
J. R. Hough	73	Input–output analysis in education in the U.K.—review essay
	83	Forthcoming

Number 2 Contents

ARTICLES

Christopher R. S. Dougherty and Emmanuel Jimenez	85	The specification of earnings functions: tests and implications
Ronald Ehrenberg, Hirschel Kasper and Daniel Rees	99	Faculty turnover at American Colleges and Universities: analyses of AAUP data
William Sander and Anthony C. Krautmann	111	Local taxes, schooling, and jobs in Illinois
Michael B. Tunnen	123	New estimates of the returns to schooling in Brazil
		Mini-Symposium on the Economics of Educational Choice
Henry M. Levin	137	The economics of educational choice
Edwin G. West	159	Public schools and excess burdens
Henry M. Levin	171	Views on the economics of educational choice: a reply to West
Edwin G. West	177	Rejoinder

BOOK REVIEWS

Debra S. Haas	179	Edited by William L. Boyd and Herbert J. Walberg: *Choice in Education: Potential and Problems*
J. R. Hough	180	Centre for Educational Research and Innovation: *One School, Many Cultures* Edited by Charles V. Willie and Inabeth Miller: *Social Goals and Educational Reform—American Schools in the Twentieth Century* By George A. Male: *Issues in the Education of Minorities—England and the United States*
Mun C. Tsang	181	By Mark Bray: *Multiple-shift Schooling: Design and Operation for Cost-effectiveness*
Mun C. Tsang	181	By Mark Bray: *Are Small Schools the Answer? Cost-effective Strategies for the Rural School Provision*
Mary Beth Bingman	182	Compiled by John Hladczuk, William Eller and Sharon Hladczuk: *Literacy/Illiteracy in the World: A Bibliography* Compiled by John Hladczuk, William Eller and Sharon Hladczuk: *General Issues in Literacy/Illiteracy : A Bibliography*
	183	Announcement
	185	Forthcoming

Number 3 Contents

ARTICLES

B. F. Kiker and Maria C. Santos	187	Human capital and earnings in Portugal
William C. Weiler	205	The effect of being a retention case on a faculty member's salary
P. A. McGavin	213	Policy evaluation of investment in education: a Papua New Guinea study
Morton Owen Schapiro, Michael P. O'Malley and Larry H. Litten	227	Progression to graduate school from the 'elite' colleges and universities
Shahrukh R. Khan, W. Douglass Shaw and Fazal Hussain	245	Causality between literacy and labor productivity in Pakistan
Balbir Jain	253	Returns to education: further analysis of cross country data
Luis A. Crouch	259	A simplified linear programming approach to the estimation of enrollment transition rates: estimating rates with minimal data availability
Organization for Economic Cooperation and Development	271	Recent research topics in the economics of education

BOOK REVIEWS

Francis X. Tannian	275	By Arnold B. Grobman: *Urban State Universities: An Unfinished National Agenda*
Eduardo Velez	276	By Jacques Hallak: *Investing in the Future. Setting Educational Priorities in the Developing World*
W. Patrick Leonard	276	By Thomas E. Tellefsen: *Improving College Management: An Integrated Systems Approach* By John S. Wodarski: *The University Research Enterprise*
Craig Randall Landgren	277	Edited by John C. Smart: *Higher Education: Handbook of Theory and Research, Volume IV*
	279	Announcements
	281	Forthcoming

Number 4 Contents

ARTICLES

Walter W. McMahon	283	Relative returns to human and physical capital in the U.S. and efficient investment strategies
Charles R. Link and James G. Mulligan	297	Classmates' effects on black student achievement in public school classrooms
Robert L. Moore, A. H. Studenmund and Thomas Slobko	311	The effect of the financial aid package on the choice of a selective college
William Becker and Rebecca Goodman	323	The semilogarithmic earnings equation and its use in assessing salary discrimination in academe
Darrell R. Lewis, James C. Hearn and Eric E. Zilbert	333	Keyboarding as general education: post-school employment and earnings effects
Byron W. Brown	343	How gender and socioeconomic status affect reading and mathematics achievement
Marcelo Dabos and George Psacharopoulos	359	An analysis of the sources of earnings variation among Brazilian males
Organization for Economic Cooperation and Development	379	Recent research activity at OECD
Dan S. Thakur	385	Implementing educational policies in Sub-Saharan Africa—review essay

BOOK REVIEWS

Anne L. Jefferson	391	Edited by Stephen B. Lawton and Rouleen Wignall: *Scrimping or Squandering? Financing Canadian Schools*
Lynn Ilon	392	By Fred G. Burke: *Public Education: Who's In Charge?*
Stephen P. Coelen	392	By William Bowen and Julia Ann Sosa: *Prospects for Faculty in the Arts and Sciences*
	395	Forthcoming

Author Index

Alam, A. 29

Barrow, M. M. 19
Becker, W. 323
Bingman, M. B. 182
Bowman, M. J. 1
Brown, B. W. 343

Coelen, S. P. 392
Crouch, L. A. 259

Dabos, M. 359
Dougherty, C. R. S. 85

Ehrenberg, R. 99

Goodman, R. 323
Grip, A. de 57
Groot, L. F. M. 57
Gyapong, A. O. 7
Gyimah-Brempong, K. 7

Haas, D. S. 179
Hearn, J. C. 333
Hough, J. R. 73, 180
Hussain, F. 245

Ilon, L. 392

Jain, B. 253
Jefferson, A. L. 391
Jimenez, E. 85

Kasper, H. 99
Khan, S. R. 245
Kiker, B. F. 187
Krautmann, A. C. 111

Landgren, C. R. 277
Leonard, W. P. 276
Levin, H. M. 137, 171
Lewis, D. R. 333
Link, C. R. 297
Litten, L. H. 227

McGavin, P. A. 213
McMahon, W. W. 283
Moore, R. L. 311
Mulligan, J. G. 297

O'Malley, M. P. 227
OECD 271, 379

Paquette, J. 45
Psacharopoulos, G. 29, 359

Rees, D. 99

Sander, W. 111
Santos, M. C. 187
Schapiro, M. O. 227
Shaw, W. D. 245
Slobko, T. 311
Studenmund, A. H. 311

Tannen, M. B. 123
Tannian, F. X. 275
Thakur, D. S. 385
Tsang, M. C. 181

Velez, E. 276

Weber, W. L. 37
Weiler, W. C. 205
West, E. G. 159, 177

Zilbert, E. E. 333

EDITORIAL OBJECTIVES

The EER's primary objectives are to provide a forum for exchange of ideas and research findings in all facets of the economics of education; to encourage the development of sound theoretical, empirical and policy research, demonstrating the role of economic analysis in the solution or improved understanding of educational problems and issues; and to provide from time to time book reviews, review articles and literature surveys as a service to the readers. The EER encourages submission of full-length articles, communications (comments, notes and shorter articles) and proposals for book reviews or review articles. Brief notices of interest to the readers, reports on work in progress or abstracts of completed research will be included, depending on the availability of space.

NOTES FOR CONTRIBUTORS

1. Papers submitted for publication should be submitted in quadruplicate to the Editor, Elchanan Cohn, Department of Economics, University of South Carolina, Columbia, SC 29208, U.S.A. Proposals for book reviews should be sent to C. G. Williams, Book Review Editor, Department of Economics, University of South Carolina, Columbia, SC 29208, U.S.A.

2. Manuscripts must be typed on one side of the page only and must be double-spaced, with two-inch (five-centimetre) margins on all sides.

3. Manuscripts will not be considered for publication if they have been published before or if they are concurrently under review by another journal or publisher. Papers accepted for publication must not be published elsewhere without the consent of the Editor and Publisher.

4. All manuscripts should be prepared in accordance with the journal's style, which is outlined below.

5. The title page should contain: (i) the title of the article, which should clearly outline the nature of the subject; (ii) a short running head of no more than 40 characters (including spaces), placed at the bottom of the title page and identified; (iii) the names and addresses of all authors; (iv) the name and address of the author responsible for correspondence and to whom requests for reprints should be addressed; and (v) any source(s) of support in the form of grants.

6. Papers must contain an abstract briefly summarizing the essential contents; this should not exceed 100 words.

7. Illustrations should accompany the typescript but should not be inserted in the text. All figures, charts and diagrams should be referred to as 'Figures' and should be numbered consecutively in the order that they are referred to in the text. All figures should be submitted in a form suitable for direct reproduction; therefore original figures or glossy prints should be provided. It is not possible to reproduce from prints with weak lines. Illustrations submitted should normally be about twice the final size required. A list of the figure captions should be typed on a separate sheet at the end of the manuscript.

8. Tables should be so constructed as to be intelligible without reference to the text, with every table and column being provided with a heading. The approximate location of figures and tables in the text must be clearly indicated.

9. Acknowledgements should appear on a separate sheet at the end of the written section before the notes.

10. Short footnotes may be included at the foot of a manuscript page. Longer notes should be numbered and grouped together in a 'Notes' section at the end of the text. The note number (1, . . ., 5, etc.) should be inserted in the text where appropriate.

11. All references to other papers, books, etc. should be listed in alphabetical order at the end of the paper. In the text the author(s)' name(s) and date of publication should be given, e.g. (Jones, 1975); (Jones and Smith, 1974); (Jones *et al.*, 1979); (Smith, 1980a); (Smith, 1980b);. . . as shown by Dale (1982).

    In the reference list all references to articles in journals should contain: the names and initials of all authors, the year of publication, the title of the paper, the name of the journal abbreviated according to the *World List of Scientific Periodicals* (4th Edn) (1963–1965), 3 vols. London: Butterworths, the volume number and page numbers; for articles within books the Editor(s)' name(s) and the town and name of the Publisher should also be given:

    TREIMAN, D.J. and TERRELL, K. (1975) The process of status attainment in the United States and Great Britain. *Am. J. Sociol.* **81**, 563–583.

    KAY, J.A. and KING, M.A. (1980) *The British Tax System*. Oxford: Oxford University Press.

    HANSEN, W.L. and WEISBROD, B.A. (1971c) A new approach to higher education finance. In *Financing Higher Education: Alternatives for the Federal Government* (Edited by ORWIG, M.O.), pp. 206–236. Iowa City: American College Testing Program.

12. Authors of accepted papers are responsible for proof-reading and must return the proofs directly to Pergamon Press without delay. Delayed return of proofs may result in the manuscript being dropped from the scheduled issue. Corrections to proofs must be restricted to printer's errors; any substantial changes other than these may be charged to the author.

13. Twenty-five reprints of each paper will be supplied free of charge. Additional reprints can be obtained at a reasonable price, provided that they are ordered when the proofs are returned, using the form provided.

14. All material will be discarded 1 month after publication unless specifically requested by the author to be returned.

Printed in Great Britain by Information Press Ltd, Eynsham, Oxford